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FISCAL NEWS

MONTHLY NEWSLETTER OF THE OFFICE OF FISCAL AND PROGRAM REVIEW

NOVEMBER 2011

Volume 5 Number 11

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The Office of Fiscal and Program Review (OFPR) is a nonpartisan staff office of the Legislative Council providing budget, tax and general fiscal research and analysis for the Maine State Legislature.



Month In Review

General Fund revenue performance for the month of October was significantly below projections and offset the positive variance that had built up during the first quarter of FY 2012. However, the negative variance is primarily due to some timing issues within the fiscal year related to Corporate Income Tax refunds and tax relief program payments.

Highway Fund revenue recovered strongly in October because backlogs in motor vehicle registration revenue processing were significantly reduced. Gasoline Tax revenue was below budget for the month and the fiscal year-to-date. Recent declines in prices at the pump have yet to show up in gasoline tax performance.

Despite the much more pessimistic economic forecast of the Consensus Economic Forecasting Commission (CEFC) for its November 1st update, the Revenue Forecasting Committee (RFC) recommended modest upward revenue revisions for the 2012-2013 biennium. This is because the technical adjustments to reflect recent actual experience and the improved short-term forecast for corporate profits largely offset the impact of the slower growth assumptions for personal income and employment during the 2012-2013 biennium. However, the slower growth assumptions dwarf the positive short-term adjustments and result in a substantial downward net revision for General Fund revenue for the 2014-2015 biennium.

The RFC noted many potential risks to the economic and revenue forecasts. In the short-term, home heating oil prices remain one of those risks and a significant concern as prices are more than 27% higher than this time last year. This impact could be compounded by the specter of federal budget cuts on heating oil assistance. Fortunately, mild temperatures have limited the impact of heating oil prices on consumers so far this year.

The average of MaineCare weekly cycle payments that increased significantly during the month of August have remained well above last fiscal year. The Department of Health and Human Services (DHHS) has estimated that the shortfall for the MaineCare program could reach \$120 million for FY 2012. The Administration announced that it will submit an emergency supplemental budget to specifically address this major shortfall.



General Fund Revenue Update

Total General Fund Revenue - FY 2012 (\$'s in Millions)

| | Budget | Actual | Var. | % Var. | Prior Year | % Growth |
|---------|---------|---------|----------|--------|------------|----------|
| October | \$243.2 | \$230.6 | (\$12.6) | -5.2% | \$241.9 | -4.7% |
| FYTD | \$847.0 | \$840.2 | (\$6.7) | -0.8% | \$828.7 | 1.4% |

General Fund revenue was under budget by \$12.6 million (5.2%) for October, which resulted in a negative variance of \$6.7 million (0.8%) for the first 4 months of FY 2012. Revenue growth through one-third of FY 2012 was 1.4% compared to the same period in the last fiscal year. The Revenue Forecasting Committee (RFC) increased the forecast for FY 2012 by \$10.6 million and now projects FY 2012 growth to be 0.4%.

The two major contributors to October's negative variance were the Corporate Income Tax and the Transfers to Tax Relief Programs categories, \$7.9 million and \$5.1 million, respectively. Corporate Income Tax remained \$4.6 million over budget for the fiscal year-to-date, while the tax relief programs, BETR and Circuitbreaker, were \$11.0 million under budget. Absent the negative variance in the tax relief programs, General Fund revenue would have remained over budget through October.

The RFC evaluated these negative variances and determined that they were primarily timing issues within the fiscal year. They made a modest \$1.0 million downward adjustment in FY 2012 to the Circuitbreaker program and increased FY 2012 budgeted revenue from the Corporate Income Tax by \$20.2 million.

The RFC's increase of total General Fund revenue estimates for FY 2012 included increases to all of the income and sales taxes, which also increase the budgeted amounts to be transferred for municipal revenue sharing by \$2.2 million (a downward General Fund revenue revision). These increases to sales and income taxes were also partially offset by other downward adjustments to other taxes and revenue. Some of the more significant downward adjustments in FY 2012 included the Telecommunications Personal Property Tax (\$5.0 million), the Estate Tax (\$2.6 million), State Cost Allocation Program revenue (\$2.4 million), fine revenue (\$1.7 million) and Hunting and Fishing License Fees (\$1.2 million).

Highway Fund Revenue Update

Total Highway Fund Revenue - FY 2012 (\$'s in Millions)

| | Budget | Actual | Var. | % Var. | Prior Year | % Growth |
|---------|--------|--------|---------|--------|------------|----------|
| October | \$26.9 | \$29.0 | \$2.1 | 7.9% | \$26.8 | 8.3% |
| FYTD | \$90.2 | \$89.9 | (\$0.3) | -0.3% | \$89.9 | 0.0% |

Highway Fund revenue was over budget by \$2.1 million (7.9%) for October, reducing the negative variance for the fiscal year to 0.3 million (0.3%). Highway Fund revenue showed no growth for the first 4 months of FY 2012 compared with the same period last fiscal year. The Revenue Forecasting Committee (RFC) increased the FY 2012 Highway Fund revenue forecast by \$1.6 million and is forecasting growth of 2.1%.

October's positive performance was driven by a significant turnaround in the Motor Vehicle Registration Fees category, \$1.2 million ahead of budget, as a result of the almost complete elimination of a Bureau of Motor Vehicle processing backlog. The Special Fuel and Road Use Taxes category was

another major component of October's positive variance coming in ahead of projections by \$1.2 million and producing a modest positive variance in that category for the fiscal year.

Gasoline Tax revenue fell \$0.4 million below budget in October and \$0.6 million for the fiscal year. Despite this performance, the RFC increased projections for the Gasoline Tax in FY 2012 by nearly \$2.0 million based on the underlying assumption that gasoline prices will decrease. If consumers do not react positively to the price decreases (perhaps as a result of high heating oil or food prices), this category may need to be revised downward in the next forecast, which is due March 1st.



Revenue Forecasting Update

The Revenue Forecasting Committee (RFC) concluded its review and update of revenue projections for the December 1st reporting deadline. Despite the significantly more pessimistic economic forecast of the Consensus Economic Forecasting Commission (CEFC), significant improvements in the forecast of corporate profits in 2011 and 2012 and some technical adjustments based on actual experience including a redistribution of individual income tax liability to higher tax brackets offset the slower growth assumptions at least in the short-term. For the 2012-2013 biennium, the RFC's recommended changes for all funds included in the forecast are very modest (see summary table below).

For the General Fund, the effects of the downgraded economic assumptions drown out the initial positive effects from adjustments to the starting base revenue beginning in FY 2013. The downward General Fund revisions total almost \$92 million for the 2014-2015 biennium. Even in the short-term, the RFC pointed out several risks to the economic and revenue forecasts during this very volatile and uncertain economic transition period. While the 125th Legislature will not need to make downward budget adjustments to offset a new revenue shortfall as a result of this revenue forecast, that could change when the CEFC and the RFC meet for the winter revenue forecast update due by March 1st as a result of the numerous risks to the forecast.

Summary of December 2011 Revenue Revisions

Millions of \$'s

General Fund Summary

| | FY11 Actual | FY12 | FY13 | FY14 | FY15 |
|-------------------------|-------------|-----------|-----------|-----------|-----------|
| Current Forecast | \$2,945.0 | \$2,945.6 | \$3,039.9 | \$3,020.4 | \$3,140.2 |
| Annual % Growth | 6.9% | 0.0% | 3.2% | -0.6% | 4.0% |
| Net Increase (Decrease) | | \$10.6 | (\$9.6) | (\$46.2) | (\$45.6) |
| Revised Forecast | \$2,945.0 | \$2,956.3 | \$3,030.3 | \$2,974.1 | \$3,094.6 |
| Annual % Growth | 6.9% | 0.4% | 2.5% | -1.9% | 4.1% |

Highway Fund Summary

| | FY11 Actual | FY12 | FY13 | FY14 | FY15 |
|-------------------------|-------------|---------|---------|---------|---------|
| Current Forecast | \$311.4 | \$316.4 | \$318.3 | \$319.5 | \$319.6 |
| Annual % Growth | 0.1% | 1.6% | 0.6% | 0.4% | 0.0% |
| Net Increase (Decrease) | | \$1.6 | \$0.5 | \$1.7 | \$3.6 |
| Revised Forecast | \$311.4 | \$317.9 | \$318.9 | \$321.1 | \$323.2 |
| Annual % Growth | 0.1% | 2.1% | 0.3% | 0.7% | 0.6% |

Fund for a Healthy Maine Summary

| | FY11 Actual | FY12 | FY13 | FY14 | FY15 |
|-------------------------|-------------|--------|--------|---------|---------|
| Current Forecast | \$54.4 | \$53.6 | \$53.7 | \$60.4 | \$60.1 |
| Annual % Growth | -5.5% | -1.4% | 0.1% | 12.5% | -0.5% |
| Net Increase (Decrease) | | \$0.9 | \$0.3 | (\$6.1) | (\$6.2) |
| Revised Forecast | \$54.4 | \$54.5 | \$54.0 | \$54.3 | \$53.9 |
| Annual % Growth | -5.5% | 0.3% | -1.0% | 0.5% | -0.8% |

Medicaid/MaineCare Dedicated Revenue Taxes Summary

| | FY11 Actual | FY12 | FY13 | FY14 | FY15 |
|-------------------------|-------------|---------|---------|---------|---------|
| Current Forecast | \$148.0 | \$153.6 | \$154.4 | \$154.4 | \$154.4 |
| Annual % Growth | 5.7% | 3.8% | 0.5% | 0.0% | 0.0% |
| Net Increase (Decrease) | | (\$1.7) | \$0.0 | \$0.0 | \$0.0 |
| Revised Forecast | \$148.0 | \$151.8 | \$154.4 | \$154.4 | \$154.4 |
| Annual % Growth | 5.7% | 2.6% | 1.7% | 0.0% | 0.0% |



Cash Update

The average total cash pool balance for October was \$489.3 million, \$29.4 million less than one year ago. However, General Fund internal cash flow borrowing was \$14.0 million less than a year ago. As noted last month, the General Fund balance is beginning to show the effect of the \$43 million General Fund borrowing from Other Special Revenue Funds to balance the FY 2012 General Fund budget and the effect of higher than anticipated spending in the MaineCare/Medicaid program within the Department of Health and Human Services. Whether total balances in the cash pool remain healthy enough to avoid external borrowing in FY 2012 will depend on the means the 125th Legislature chooses to address the MaineCare shortfall.

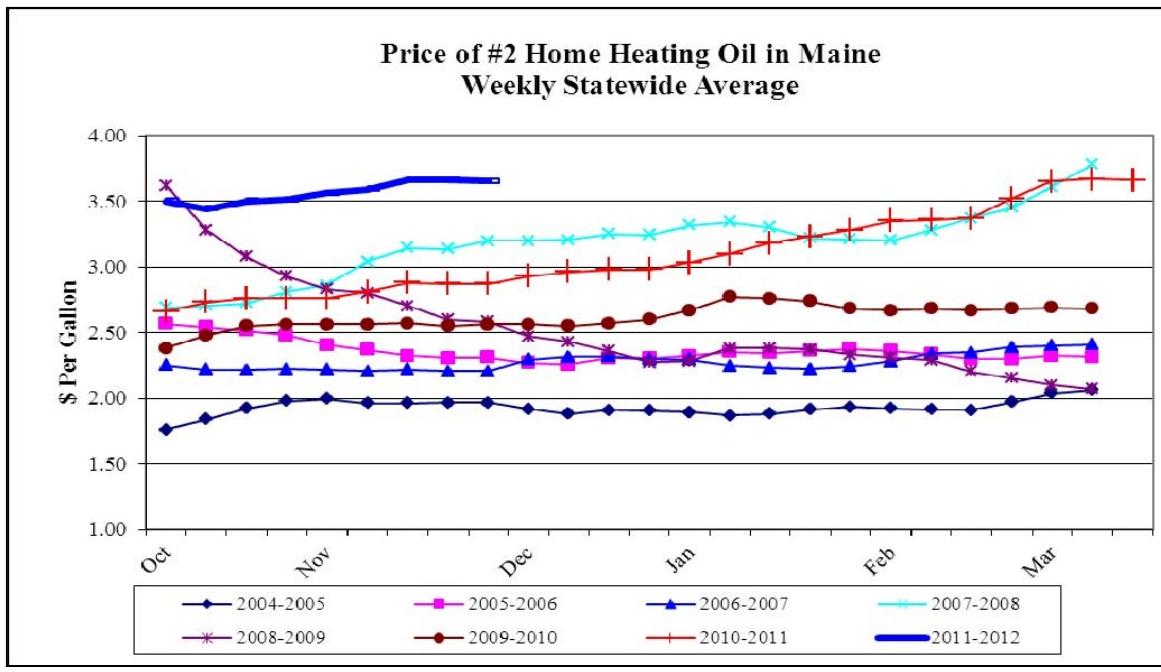
| Summary of Treasurer's Cash Pool | | |
|---------------------------------------|------------------|----------------|
| October Average Daily Balances | | |
| | Millions of \$'s | |
| General Fund (GF) Total | \$5.1 | \$7.5 |
| General Fund (GF) Detail: | | |
| Budget Stabilization Fund | \$25.4 | \$71.5 |
| Reserve for Operating Capital | \$11.2 | \$17.1 |
| Tax Anticipation Notes | \$0.0 | \$0.0 |
| Internal Borrowing | \$172.3 | \$158.2 |
| Other General Fund Cash | (\$203.8) | (\$239.3) |
| Other Spec. Rev. - Interest to GF | \$47.0 | \$46.2 |
| Other State Funds - Interest to GF | \$10.6 | \$25.2 |
| Highway Fund | \$50.3 | \$27.1 |
| Other Spec. Rev. - Retaining Interest | \$55.0 | \$38.0 |
| Other State Funds | \$238.1 | \$230.0 |
| Independent Agency Funds | \$112.5 | \$115.3 |
| Total Cash Pool | \$518.7 | \$489.3 |

Heating Oil Price Update

The average price of #2 home heating oil in Maine is at \$3.65 per gallon as the month of November ends, approximately 27.2% or \$0.78 per gallon higher than one year ago. As the chart below illustrates, the average price of home heating oil in Maine is at the highest average price for Maine ever recorded for the first two months of a winter heating season.

Warmer than normal temperatures during October and November of this year (approximately 18.8% warmer

than normal and 17.1% warmer than the same time period last year) have helped consumers keep the cost to heat their homes somewhat under control so far. A return to more normal temperatures will significantly increase the average household expenditures for heating oil. In fact, a report issued by the U.S. Energy Information Administration in early November anticipates the average cost to households that heat with oil will be higher than in any previous winter.





MaineCare Update

MaineCare Spending

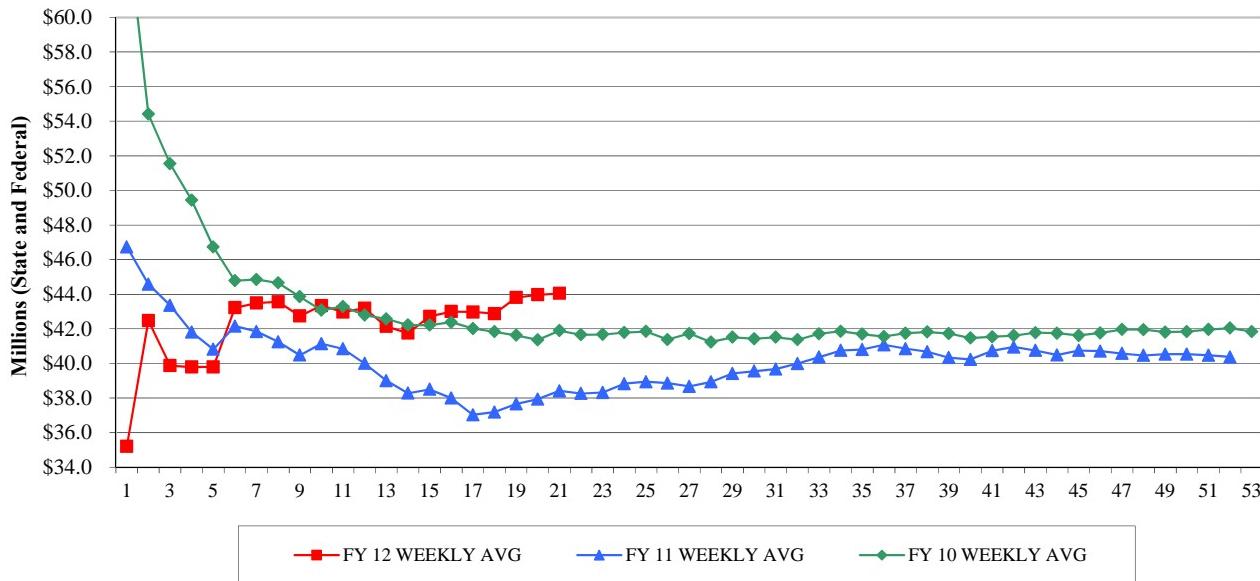
The average weekly MaineCare cycle for FY 2012 through Week 21 was \$44.0 million (state and federal dollars), which is a significant increase above the average through Week 15 of \$42.7 million and an increase over the MaineCare weekly cycle average for FY 2011 of \$40.4 million and for FY 2010 of \$42.0 million. While FY 2012 MaineCare cycles continue to fluctuate the sustained increase in the cycle average to date continues to suggest an increase in FY 2012 MaineCare spending over FY 2011 spending and FY 2012 budgeted levels.

MaineCare Chart 1 below summarizes average weekly MaineCare cycle payments for FY 2012 as well as comparable payment cycle averages for FYs 2010 and 2011. The chart shows the continued increase in the FY 2012 weekly average to \$44.0 million over the last three weeks. MaineCare Chart 2 on the next page summarizes the actual cycles each week for FY 2012 and for FY 2010 and FY 2011. Chart 2 shows three distinct FY 2012 weekly cycles of approximately \$60 million (weeks 6, 15, and 19) that are a significant cause of the increase in the

FY 2012 cycle averages. The causes of these unusually large cycles and whether they repeat this fiscal year will play a major role in determining the extent that FY 2012 MaineCare spending exceeds budgeted levels.

In her November 21st presentation to the Appropriations Committee, Department of Health and Human Services (DHHS) Commissioner Mayhew updated the Department's estimates of a FY 2012 General Fund budget shortfall in the MaineCare program to \$120 million. The major causes of the shortfall have also been updated to include: a higher than usual amount of claims being processed this year for services provided in FY 2011 (\$29.8 million); the need to pay previous-year claim adjustments with the lower post-ARRA federal match rate (\$12 million); increased State-paid room and board costs for Private Non-Medical Institutions (\$14.0 million); increased payments for Medicare premiums for dual-eligibles (\$10.0 million) and an overall increase in per member per month MaineCare costs (\$15.8 million) and in the number of new MaineCare members (\$6.7 million). The Administration is planning to submit an emergency supplemental budget in December to address the estimated FY 2012 MaineCare shortfall.

MaineCare Chart 1 - MaineCare Weekly Cycle Averages - FY 10, FY 11 and FY 12
FY 12 Through 11/25/11 - Cycle 21

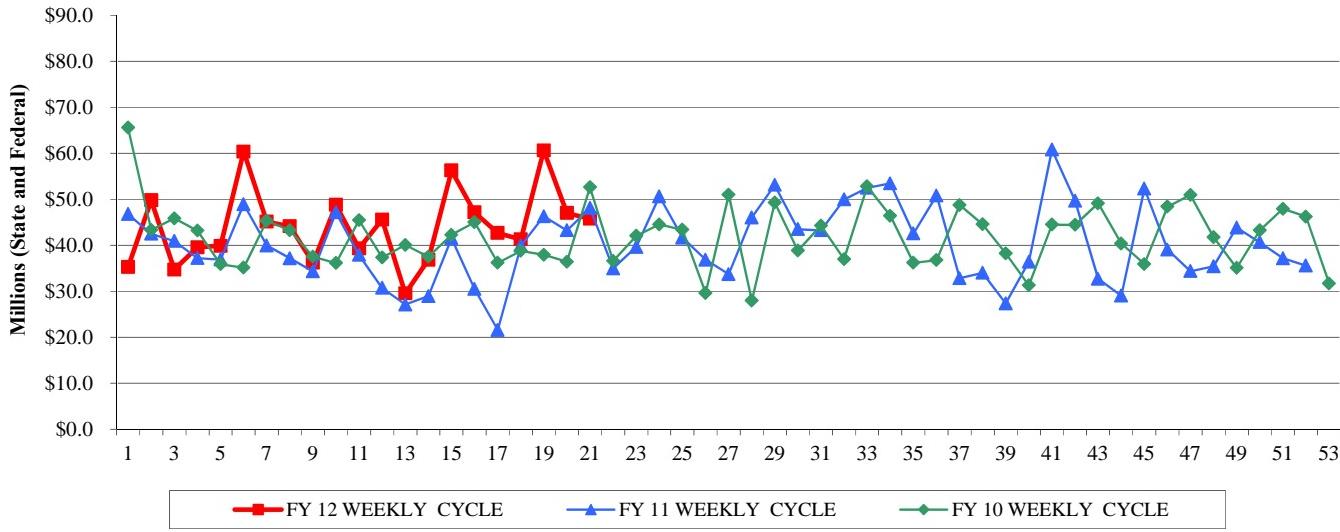


[°] FY 11 averages do not reflect MaineCare hospital settlements of \$227.7 million paid in the 3/18/11 (37th) and \$20.8 million paid in the 3/25/11 (38th) cycles.

[°] FY 10 averages do not reflect the \$132.5 million in MaineCare hospital settlements paid in the 10/23/09 (17th) cycle but do reflect the delayed FY 09 hospital and long-term care payments paid in the first weekly cycle of FY 10.

**MaineCare Update (continued)**

MaineCare Chart 2 - MaineCare Weekly Cycles - FY 10, FY 11 and FY 12
FY 12 Through 11/25/11 - Cycle 21



- FY 11 cycles do not include MaineCare hospital settlements of \$227.7 million paid in the 3/18/11 (37th) and \$20.8 million paid in the 3/25/11 (38th) cycles.
- FY 10 cycles do not reflect the \$132.5 million in MaineCare hospital settlements paid in the 10/23/09 (17th) cycle but do reflect the delayed FY 09 hospital and long-term care payments paid in the first weekly cycle of FY 10.

MaineCare Caseload

MaineCare caseload data for October summarized in the table on the next page show an increase of 2,520 persons from September levels. This increase follows an increase of 1,506 persons in September. These increases reflect the net impact of changes in the “traditional Medicaid” population (i.e., adults and children receiving financial benefits such as TANF and IV-E Foster Care; aged and disabled persons; and institutionalized persons) offset by changes in other caseload populations, primarily the non-categorical adult waiver population. The “traditional Medicaid” enrollment category increased by 1,725 persons in October after decreasing by 1,956 persons in September. The non-categorical adult waiver population decreased by 138 persons in October after increasing by 3,104 persons in September.

As noted last month DHHS switched the source of its MaineCare caseload data from the old “WELFRE” system to the new Maine Integrated Health Management Solution (MIHMS) claims processing system beginning in June 2011. The switch-over to the new data source appears to show a step-up in MaineCare caseload between the pre-June 2011 data source and the new data source. DHHS is continuing to work to refine the new caseload methodology. By re-running FY 2011 caseload through the new system and comparing it with similar data compiled by DHHS, Office of Family Independence, DHHS confirmed the step-up reflects the change in counting the caseload and not an underlying increase in MaineCare caseload. The table on the next page summarizes the caseload through May 2011 based on the previous data source and the caseload for the most recent five months based on the new date source.

**MaineCare Update (continued)**

| MaineCare Caseload Summary | | | | | | | |
|--|----------------------|--------------------------|------------|---------------------------------------|-----------------------------------|--------------------------------------|---------|
| Calendar Year | SCHIP | | | Medicaid Expansion Parents ≤ 150% FPL | Non-Categorical Adults ≤ 100% FPL | Medicaid Expansion Parents >150% FPL | Total |
| | Traditional Medicaid | SCHIP Medicaid Expansion | "Cub Care" | | | | |
| 2002 Avg. | 174,962 | 8,597 | 4,209 | 13,756 | 1,349 | 0 | 202,873 |
| 2003 Avg. | 195,664 | 8,142 | 4,734 | 14,019 | 14,738 | 0 | 237,298 |
| 2004 Avg. | 203,608 | 9,397 | 4,502 | 16,414 | 21,138 | 0 | 255,058 |
| 2005 Avg. | 209,817 | 10,130 | 4,159 | 18,301 | 19,875 | 2,016 | 264,298 |
| 2006 Avg. | 212,842 | 10,289 | 4,518 | 18,790 | 14,670 | 4,998 | 266,106 |
| 2007 Avg. | 215,763 | 9,909 | 4,524 | 19,010 | 20,060 | 5,490 | 274,756 |
| 2008 Avg. | 217,214 | 9,513 | 4,524 | 18,273 | 14,276 | 5,582 | 269,381 |
| 2009 Avg. | 226,423 | 9,590 | 4,801 | 18,976 | 10,673 | 5,857 | 276,320 |
| 2010 Avg. | 236,637 | 10,337 | 5,255 | 20,840 | 14,369 | 6,612 | 294,049 |
| Detail for 12 Months thru May 2011 | | | | | | | |
| Jun-10 | 236,604 | 10,279 | 5,200 | 21,108 | 15,397 | 6,613 | 295,201 |
| Jul-10 | 237,337 | 10,329 | 5,257 | 21,176 | 15,048 | 6,710 | 295,857 |
| Aug-10 | 238,279 | 10,300 | 5,297 | 20,938 | 15,496 | 6,692 | 297,002 |
| Sep-10 | 238,949 | 10,449 | 5,332 | 20,944 | 15,855 | 6,692 | 298,221 |
| Oct-10 | 239,502 | 10,483 | 5,371 | 20,931 | 16,778 | 6,741 | 299,806 |
| Nov-10 | 239,390 | 10,480 | 5,399 | 21,033 | 16,355 | 6,718 | 299,375 |
| Dec-10 | 239,176 | 10,478 | 5,491 | 21,024 | 15,789 | 6,746 | 298,704 |
| Jan-11 | 239,421 | 10,411 | 5,531 | 20,974 | 17,446 | 6,830 | 300,613 |
| Feb-11 | 239,742 | 10,201 | 5,469 | 20,748 | 17,106 | 6,830 | 300,096 |
| Mar-11 | 241,095 | 10,040 | 5,507 | 20,738 | 16,714 | 6,955 | 301,049 |
| Apr-11 | 241,114 | 10,054 | 5,485 | 20,708 | 16,197 | 6,957 | 300,515 |
| May-11 | 241,298 | 9,984 | 5,543 | 20,691 | 15,659 | 6,963 | 300,138 |
| Detail June 2011 through October 2011¹ | | | | | | | |
| Jun-11 | 251,147 | 10,110 | 5,835 | 21,465 | 16,629 | 7,715 | 312,901 |
| Jul-11 | 251,756 | 10,307 | 5,854 | 21,641 | 16,257 | 7,692 | 313,507 |
| Aug-11 | 252,163 | 10,434 | 5,841 | 21,809 | 15,853 | 7,752 | 313,852 |
| Sep-11 | 250,207 | 10,588 | 5,834 | 22,059 | 18,957 | 7,713 | 315,358 |
| Oct-11 | 251,932 | 10,874 | 5,825 | 22,566 | 18,819 | 7,862 | 317,878 |
| Change: | | | | | | | |
| Latest month | 1,725 | 286 | -9 | 507 | -138 | 149 | 2,520 |

¹ Beginning with its June 2011 MaineCare Caseload report, the DHHS switched the source of MaineCare caseload data from the old WELFRE system to the new Maine Integrated Health Management System (MIHMS). DHHS continued to refine this new methodology and as recently as its September 2011 report, made further revisions to caseload counts for the June through August period. The new data are shown separate from pre-June 2011 historical data because comparisons are still not valid.

Eligibility Descriptions:

- **Traditional Medicaid** includes adults and children in receipt of a financial benefit (TANF, IV-E); aged and disabled persons in receipt of a financial benefit (SSI, SSI Supplement), institutionalized persons (NF), and others not included below.
- **SCHIP (State Child Health Insurance Program) Medicaid Expansion Children (MS-CHIP)** (effective July 1998) are children with family incomes above 125/133% and up to and including 150% of the Federal Poverty Level (FPL).
- **SCHIP "Cub Care" Children** (effective July 1998) are children with family incomes above 150% and up to and including 200% of FPL.
- **Medicaid Expansion Parents** are persons who function as the primary caretakers of dependent children and whose income is above 100% and up to and including 150% of FPL (effective September 2000); and beginning May 2005, up to and including 200% of FPL.
- **Non-Categorical Adults** (effective October 2002) are persons who are over 21 and under 65, not disabled, not the primary caretakers of dependent children, and whose income is not more than 100% of FPL.

General Fund Revenue
Fiscal Year Ending June 30, 2012 (FY 2012)
October 2011 Revenue Variance Report

| Revenue Category | October '11 Budget | October '11 Actual | October '11 Variance | Fiscal Year-To-Date | | | | FY 2012 Budgeted Totals | |
|---|---------------------------|---------------------------|-----------------------------|----------------------------|--------------------------|--------------------|--------------|--------------------------------|----------------------|
| | Budget | Actual | Variance | % | % Change from Prior Year | | | | |
| Sales and Use Tax | 89,027,995 | 90,662,252 | 1,634,257 | 278,922,920 | 286,197,872 | 7,274,952 | 2.6% | 6.2% | 955,812,221 |
| Service Provider Tax | 4,828,439 | 4,326,340 | (502,099) | 13,211,703 | 11,406,431 | (1,805,272) | -13.7% | -10.4% | 56,877,680 |
| Individual Income Tax | 104,736,722 | 107,808,252 | 3,071,530 | 429,906,630 | 427,205,434 | (2,701,196) | -0.6% | 4.1% | 1,445,821,209 |
| Corporate Income Tax | 15,924,564 | 8,061,555 | (7,863,009) | 56,908,313 | 61,539,746 | 4,631,433 | 8.1% | 2.7% | 180,396,827 |
| Cigarette and Tobacco Tax | 11,935,647 | 11,782,554 | (153,093) | 51,100,327 | 49,624,742 | (1,475,585) | -2.9% | -2.8% | 143,623,350 |
| Insurance Companies Tax | 6,357,534 | 5,496,312 | (861,222) | 7,334,211 | 8,194,840 | 860,629 | 11.7% | 41.4% | 76,215,000 |
| Estate Tax | 3,021,116 | 2,752,486 | (268,630) | 5,737,191 | 5,875,363 | 138,172 | 2.4% | -54.7% | 35,810,855 |
| Other Taxes and Fees * | 19,837,004 | 18,938,375 | (898,629) | 44,162,630 | 44,094,440 | (68,190) | -0.2% | -12.9% | 135,094,104 |
| Fines, Forfeits and Penalties | 2,285,640 | 1,740,280 | (545,360) | 10,105,828 | 8,135,344 | (1,970,484) | -19.5% | -17.3% | 28,399,692 |
| Income from Investments | 30,666 | 34,997 | 4,331 | 75,501 | 114,786 | 39,285 | 52.0% | 52.0% | 257,766 |
| Transfer from Lottery Commission | 4,783,038 | 4,655,413 | (127,625) | 17,218,936 | 17,546,851 | 327,915 | 1.9% | 4.4% | 50,700,000 |
| Transfers to Tax Relief Programs * | (8,538,364) | (13,596,365) | (5,058,001) | (38,525,714) | (49,539,816) | (11,014,102) | -28.6% | -22.7% | (112,068,263) |
| Transfers for Municipal Revenue Sharing | (9,705,538) | (10,465,891) | (760,353) | (32,223,410) | (34,129,657) | (1,906,247) | -5.9% | -3.8% | (94,003,511) |
| Other Revenue * | (1,326,821) | (1,621,834) | (295,013) | 3,018,743 | 3,976,588 | 957,845 | 31.7% | 65.8% | 42,691,921 |
| Totals | 243,197,642 | 230,574,725 | (12,622,917) | 846,953,809 | 840,242,965 | (6,710,844) | -0.8% | 1.4% | 2,945,628,851 |

* Additional detail by subcategory for these categories is presented on the following page.

General Fund Revenue
Fiscal Year Ending June 30, 2012 (FY 2012)
October 2011 Revenue Variance Report

| Revenue Category | October '11 Budget | October '11 Actual | October '11 Variance | Fiscal Year-To-Date | | | | % Change from Prior Year | FY 2012 Budgeted Totals |
|--|--------------------|---------------------|----------------------|---------------------|---------------------|---------------------|---------------|--------------------------|-------------------------|
| | | | | Budget | Actual | Variance | % | | |
| Detail of Other Taxes and Fees: | | | | | | | | | |
| - Property Tax - Unorganized Territory | 12,414,698 | 12,043,355 | (371,343) | 12,414,698 | 12,043,355 | (371,343) | -3.0% | 1.2% | 13,536,928 |
| - Real Estate Transfer Tax | 909,405 | 750,730 | (158,675) | 2,510,436 | 2,541,181 | 30,745 | 1.2% | -56.2% | 9,767,309 |
| - Liquor Taxes and Fees | 1,782,637 | 1,778,924 | (3,713) | 7,528,074 | 7,876,860 | 348,786 | 4.6% | -0.4% | 20,467,530 |
| - Corporation Fees and Licenses | 173,330 | 191,622 | 18,292 | 1,069,095 | 939,603 | (129,492) | -12.1% | -12.4% | 7,697,099 |
| - Telecommunication Personal Prop. Tax | 0 | 0 | 0 | 0 | 71,690 | 71,690 | N/A | N/A | 14,641,734 |
| - Finance Industry Fees | 1,904,581 | 1,759,300 | (145,281) | 7,618,324 | 7,468,450 | (149,874) | -2.0% | 0.5% | 23,265,980 |
| - Milk Handling Fee | 93,877 | 86,010 | (7,867) | 375,508 | 371,110 | (4,398) | -1.2% | -82.1% | 1,126,529 |
| - Racino Revenue | 911,503 | 661,178 | (250,325) | 3,531,388 | 3,787,303 | 255,915 | 7.2% | 11.1% | 10,849,437 |
| - Boat, ATV and Snowmobile Fees | 264,253 | 268,786 | 4,533 | 1,542,162 | 1,546,478 | 4,316 | 0.3% | 1.9% | 4,500,295 |
| - Hunting and Fishing License Fees | 880,429 | 911,146 | 30,717 | 5,463,473 | 5,447,507 | (15,966) | -0.3% | 2.5% | 17,332,248 |
| - Other Miscellaneous Taxes and Fees | 502,291 | 487,325 | (14,966) | 2,109,472 | 2,000,903 | (108,569) | -5.1% | -52.2% | 11,909,015 |
| Subtotal - Other Taxes and Fees | 19,837,004 | 18,938,375 | (898,629) | 44,162,630 | 44,094,440 | (68,190) | -0.2% | -12.9% | 135,094,104 |
| Detail of Other Revenue: | | | | | | | | | |
| - Liquor Sales and Operations | 2,896 | 0 | (2,896) | 8,969 | 9,000 | 31 | 0.3% | -3.1% | 7,669,727 |
| - Targeted Case Management (DHHS) | 116,666 | 123,496 | 6,830 | 1,422,964 | 2,602,550 | 1,179,586 | 82.9% | -43.7% | 5,225,200 |
| - State Cost Allocation Program | 1,385,208 | 1,119,365 | (265,843) | 5,358,714 | 4,226,226 | (1,132,488) | -21.1% | -11.5% | 16,467,934 |
| - Unclaimed Property Transfer | 0 | 0 | 0 | 0 | 0 | 0 | N/A | N/A | 2,333,420 |
| - Tourism Transfer | (3,428,755) | (3,543,250) | (114,495) | (9,305,250) | (9,419,745) | (114,495) | -1.2% | -4.1% | (9,305,250) |
| - Transfer to Maine Milk Pool | (58,380) | 0 | 58,380 | (640,684) | 0 | 640,684 | 100.0% | 100.0% | (1,108,312) |
| - Transfer to STAR Transportation Fund | (1,042,834) | (1,124,706) | (81,872) | (3,115,000) | (3,196,872) | (81,872) | -2.6% | -3.1% | (3,115,000) |
| - Other Miscellaneous Revenue | 1,698,378 | 1,803,261 | 104,883 | 9,289,030 | 9,755,429 | 466,399 | 5.0% | 20.7% | 24,524,202 |
| Subtotal - Other Revenue | (1,326,821) | (1,621,834) | (295,013) | 3,018,743 | 3,976,588 | 957,845 | 31.7% | 65.8% | 42,691,921 |
| Detail of Transfers to Tax Relief Programs: | | | | | | | | | |
| - Me. Resident Prop. Tax Program (Circuitbreaker) | (5,089,431) | (7,072,674) | (1,983,243) | (24,859,505) | (28,260,437) | (3,400,932) | -13.7% | -11.7% | (41,083,286) |
| - BETR - Business Equipment Tax Reimb. | (3,448,933) | (6,523,691) | (3,074,758) | (13,666,209) | (21,279,379) | (7,613,170) | -55.7% | -45.4% | (51,552,995) |
| - BETE - Municipal Bus. Equip. Tax Reimb. | 0 | 0 | 0 | 0 | 0 | 0 | N/A | 100.0% | (19,431,982) |
| Subtotal - Tax Relief Transfers | (8,538,364) | (13,596,365) | (5,058,001) | (38,525,714) | (49,539,816) | (11,014,102) | -28.6% | -22.7% | (112,068,263) |
| Inland Fisheries and Wildlife Revenue - Total | 1,222,014 | 1,262,047 | 40,033 | 7,349,499 | 7,341,923 | (7,576) | -0.1% | 2.1% | 22,820,946 |

Highway Fund Revenue
Fiscal Year Ending June 30, 2012 (FY 2012)

October 2011 Revenue Variance Report

| Revenue Category | October '11 | October '11 | October '11 | Fiscal Year-To-Date | | | | % Change from Prior Year | FY 2012 Budgeted Totals |
|---|-------------------|-------------------|------------------|---------------------|-------------------|------------------|--------------|--------------------------|-------------------------|
| | Budget | Actual | Variance | Budget | Actual | Variance | % Variance | | |
| Fuel Taxes: | | | | | | | | | |
| - Gasoline Tax | 17,257,005 | 16,856,049 | (400,956) | 56,003,403 | 55,405,399 | (598,004) | -1.1% | -1.5% | 198,610,000 |
| - Special Fuel and Road Use Taxes | 3,506,266 | 4,666,919 | 1,160,653 | 11,264,732 | 11,324,573 | 59,841 | 0.5% | -1.3% | 44,360,000 |
| - Transcap Transfers - Fuel Taxes | (1,524,879) | (1,563,123) | (38,244) | (6,432,565) | (6,447,677) | (15,112) | -0.2% | 0.3% | (17,842,752) |
| - Other Fund Gasoline Tax Distributions | (431,544) | (423,166) | 8,378 | (1,903,607) | (1,912,531) | (8,924) | -0.5% | -0.3% | (5,066,641) |
| Subtotal - Fuel Taxes | 18,806,848 | 19,536,679 | 729,831 | 58,931,963 | 58,369,764 | (562,199) | -1.0% | -1.7% | 220,060,607 |
| Motor Vehicle Registration and Fees: | | | | | | | | | |
| - Motor Vehicle Registration Fees | 4,814,363 | 6,047,337 | 1,232,974 | 22,088,490 | 21,902,401 | (186,089) | -0.8% | -1.4% | 64,805,936 |
| - License Plate Fees | 165,795 | 180,950 | 15,155 | 1,156,469 | 1,227,671 | 71,202 | 6.2% | 2.3% | 3,345,309 |
| - Long-term Trailer Registration Fees | 484,669 | 684,799 | 200,130 | 1,436,908 | 1,682,160 | 245,252 | 17.1% | 10.3% | 8,884,523 |
| - Title Fees | 944,329 | 999,803 | 55,474 | 3,833,077 | 4,035,388 | 202,311 | 5.3% | 6.3% | 11,044,291 |
| - Motor Vehicle Operator License Fees | 762,395 | 707,781 | (54,614) | 3,097,396 | 2,814,197 | (283,200) | -9.1% | 36.9% | 9,124,826 |
| - Transcap Transfers - Motor Vehicle Fees | 0 | 0 | 0 | (4,227,144) | (3,878,378) | 348,766 | 8.3% | 4.3% | (14,883,030) |
| Subtotal - Motor Vehicle Reg. & Fees | 7,171,551 | 8,620,670 | 1,449,119 | 27,385,196 | 27,783,438 | 398,242 | 1.5% | 3.9% | 82,321,855 |
| Motor Vehicle Inspection Fees | 177,200 | 167,917 | (9,283) | 923,300 | 871,035 | (52,265) | -5.7% | -6.5% | 2,982,500 |
| Other Highway Fund Taxes and Fees | 102,154 | 110,409 | 8,255 | 481,978 | 465,129 | (16,849) | -3.5% | -10.3% | 1,320,525 |
| Fines, Forfeits and Penalties | 98,082 | 72,852 | (25,230) | 427,057 | 325,123 | (101,934) | -23.9% | -25.3% | 1,205,049 |
| Interest Earnings | 2,950 | 7,057 | 4,107 | 8,850 | 24,989 | 16,139 | 182.4% | -42.5% | 32,446 |
| Other Highway Fund Revenue | 535,583 | 493,482 | (42,101) | 2,030,520 | 2,050,809 | 20,289 | 1.0% | 7.0% | 8,449,178 |
| Totals | 26,894,368 | 29,009,067 | 2,114,699 | 90,188,864 | 89,890,287 | (298,577) | -0.3% | 0.0% | 316,372,160 |